

DECISION
of the Third Board of Appeal
of 10 April 2019

In Case R 31/2018-3

Delta Sport Handelskontor GmbH
Wragekamp 6
22397 Hamburg
Germany

Invalidity Applicant / Appellant

represented by KLAWITTER NEBEN PLATH ZINTLER KNPZ
RECHTSANWÄLTE, Kaiser-Wilhelm-Str. 9, 20355 Hamburg, Germany

v

Lego A/S
Aastvej 1
7190 Billund
Denmark

Design Holder / Respondent

represented by BOMHARD IP, S.L., C/Bilbao, 1, 5º, 03001 Alicante, Spain

APPEAL relating to Invalidation Proceedings No ICD 10 545 (registered Community design No 1 664 368-0006)

THE THIRD BOARD OF APPEAL

composed of Th. M. Margellos (Chairperson), C. Rusconi (Rapporteur) and H. Salmi (Member)

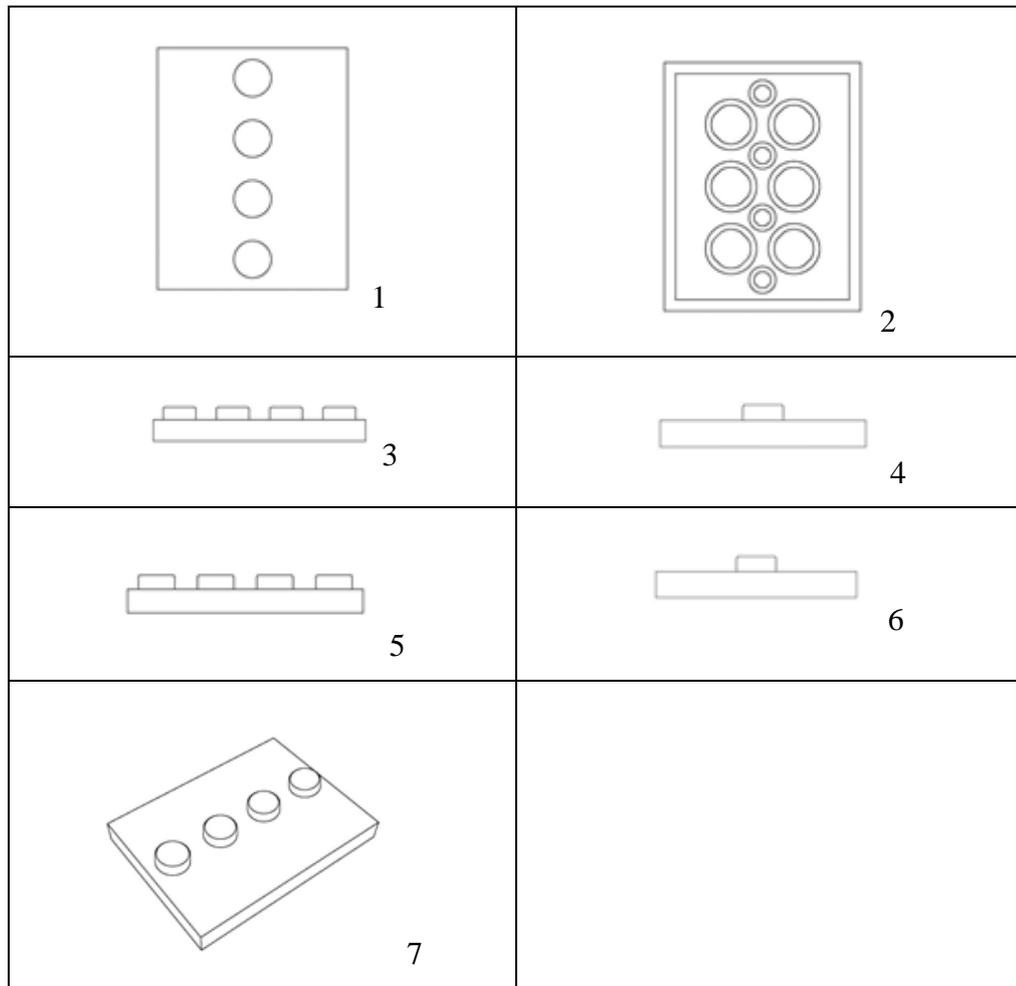
Registrar: H. Dijkema

gives the following

Decision

Summary of the facts

- 1 Lego A/S ('the design holder') is the holder of Registered Community Design (RCD) No. 1 664 368-0006, filed and registered on 2 February 2010 for 'Building blocks from a toy building set', in accordance with the following views:



- 2 On 8 December 2016, Delta Sport Handelskontor GmbH ('the invalidity applicant') filed an application for a declaration of invalidity on the grounds that the RCD ('the contested RCD') 'does not fulfil the requirements of Articles 4 to 9 CDR'. In the accompanying statement of grounds, the invalidity applicant submits that all the features of appearance of the design are solely dictated by the technical function of the product and are excluded from protection, for this reason, pursuant to Article 8(1) CDR. The invalidity applicant argues that the studs on the upper side of the block and the holes on the lower side are designed to allow interconnection with other blocks of the building set and referred, as a relevant precedent, to the decision rendered in case R 856/2004-G by the Grand Board of Appeal and the judgment of the ECJ (14/09/2010, C-48/09 P, Lego

brick, EU:C:2010:516). The invalidity applicant observed that this precedent, though it concerns a trade mark, could be pertinent in a design context.

- 3 On 16 June 2017, the design holder replied that the features of the contested RCD, though functional, could be varied ‘in many different ways’ (as regards shape and size) without affecting functionality and that, for this reason, the RCD did not fall within the exclusion of protection envisaged in Article 8(1) CDR. The design holder also denied any relevance to the precedent concerning the Red Lego Brick on the ground that it concerned trade mark (not design) law.
- 4 By decision of 30 October 2017, the Invalidity Division rejected the application for a declaration of invalidity as unfounded. The Invalidity Division noted that the technical function of the building block in which the RCD is incorporated is that of ‘being interconnected with other building blocks for the purpose of playing’ and that the invalidity applicant failed to prove that fulfilling this function was the ‘sole factor’ for giving the RCD its features of appearance, namely its flat rectangular shape, the cylindrical shape of the studs, the number (4) of the studs and the position thereof. The Invalidity Division considered that these features of appearance, such as a the ‘shape or form’ of the building block, showed, on the contrary, the ‘creativity’ of the designer because the same function (interconnection with other building blocks) could be fulfilled by other ‘shapes and dimensions’. The Invalidity Division noted, in addition, that the building blocks such as the one concerned by the RCD were a ‘modular system’ within the meaning of Article 8(3) CDR, and that, therefore, the ‘interoperability’ of these blocks could not, by itself, constitute an exclusion of protection. Finally, the Invalidity Division considered that the case-law relied on by the invalidity applicant only concerned trade marks and could not, for this reason, be pertinent in the present case, which concerns designs.
- 5 On 5 January 2018, the invalidity applicant appealed the decision and submitted the corresponding statement of grounds on 12 March 2018.
- 6 The design holder responded on 8 May 2018.
- 7 The parties exchanged additional observations on 11, 19 and 30 July 2018.

Submissions and arguments of the parties

- 8 The invalidity applicant requests that the Board annul the decision (hereinafter, ‘the contested decision’) and declare the invalidity of the contested RCD on the ground that the design of the product subsists in features of appearance solely dictated by its technical function (Article 8(1) CDR). The invalidity applicant argues that all the features of appearance – the cylindrical shape of the studs, the number of studs, the arrangement of the studs, the hollows on the underside of the brick, the shape of the brick – are solely dictated by the technical function of the product, which is to interconnect it with other building blocks of the same set, and that aesthetic considerations were completely foreign to the design. The invalidity applicant also argues that the case-law on three-dimensional trade marks is applicable to designs because the rationale, which is to avoid a

monopoly on technical solutions, is the same for trade marks and designs. The invalidity applicant finally states that the provisions contained in Article 8(3) CDR are not applicable because the contested RCD concerns a single building block, not the ‘entire building set’, i.e. a modular system.

- 9 The design holder requests that the Board dismiss the appeal. The design holder argues, firstly, that, according to case-law (08/03/2018, C-395/16, DOCERAM, EU:C:2018:172), a design is invalid pursuant to Article 8(1) CDR only if the technical function of the product was the ‘only factor’ which determined the choice of the features of appearance and that the invalidity applicant failed to prove that this was the case as regards the contested RCD. The design holder argues, secondly, that the contested RCD concerns a product (a toy brick) which is part of a modular system (a toy construction system) within the meaning of Article 8(3) CDR and that, therefore, all the features of appearance of the product, in so far as they permit ‘interoperability’ with other products of the modular system, should not be excluded from protection under Article 8(1) CDR but, on the contrary, should be afforded protection by virtue of Article 8(3) CDR.
- 10 The invalidity applicant replied that all the features of appearance of the RCD are solely dictated by technical function – thus excluded from protection – and considers that, since the outcome of the case depends on technical (not legal) questions, the Board should appoint an ‘independent expert’ to enlighten it.
- 11 The design holder responded that the appointment of an expert is unnecessary because the design features of the contested RCD are ‘straightforward’.
- 12 The invalidity applicant replied that the appointment of an expert (under Article 65(1)(e) CDR) is appropriate because the validity of the contested RCD depends on its technical content and the Board might not have the necessary expertise in order to render an informed decision.

Reasons

- 13 The appeal complies with Articles 56 and 57 CDR and Article 34 CDIR. It is, therefore, admissible.
- 14 The appeal, in addition, is well founded. Since the features of appearance of the product (in which the contested RCD is incorporated) are solely dictated by its technical function within the meaning of Article 8(1) CDR, the contested RCD shall accordingly be declared invalid pursuant to Article 25(1)(b) CDR. The reasons are explained hereafter.

On the measures of instruction: the request to appoint an expert

- 15 The Board agrees with the design holder that the appointment of an independent expert is unnecessary for the purpose of rendering the present decision because the design features of the RCD at issue are ‘straightforward’ and because the writs of the parties, which also include illustrations of how the bricks of the toy

construction set, are assembled and disassembled are sufficient to enlighten the Board on the issues that need to be addressed.

- 16 In addition, the Board is aware that the issue concerning the technical function of the product in which the RCD is incorporated, i.e. a brick which is part of a toy construction set, has already been analysed in the proceedings that concerned the design holder's three-dimensional EUTM known as 'Red Lego Brick' (hereinafter, 'the Red Lego Brick Proceedings'). These proceedings concerned the invalidity of a trade mark, not a design, but the issue concerning the technical function of the brick was, in substance, no different than the one that must be dealt within the present proceedings.
- 17 In the course of the invalidity proceedings that had been brought against the design holder's EUTM, the Grand Board of Appeal relied, in support of its findings that the shape of the brick was necessary to obtain a technical result, on the opinion of at least three experts in toy brick technology, one of them even being a former employee of the design holder's company (Lego) (see R 856/2004-G, § 49 ss).
- 18 These experts had been called upon to assess the technical function of features such as the 'cylindrical shape' of the studs.
- 19 The Grand Board also relied, in support of its findings, on specific patents (in particular UK patent No 866 557) issued in the design holder's name. These patents revealed the technical aspects of the features of appearance of the brick that were necessary in order for the Grand Board to render an informed decision.
- 20 In view of the above, the Board considers that the appointment of an expert is unnecessary: the technical information that the expert could provide is already within the knowledge of the Board and the design holder.

On the merits: the applicability of Article 8(1) CDR

- 21 According to Article 25(1)(b) CDR, a Community design may be declared invalid if it does not fulfil the requirements of Articles 4 to 9 CDR.
- 22 According to Article 8(1) CDR, a Community design 'shall not subsist in features of appearance of a product which are solely dictated by its technical function'.
- 23 In a judgment rendered on 8 March 2018 in case 08/03/2018, C-395/16, DOCERAM, EU:C:2018:172, § 29, the Court of Justice – asked to interpret Article 8(1) CDR – after recalling that the purpose of Article 8(1) CDR is to 'prevent technological innovation from being hampered by granting design protection to features dictated solely by a technical function of a product', has stated that 'in order to determine whether the features of appearance of a product are exclusively dictated by its technical function, it must be established that the technical function is the only factor which determined those features' (judgment, § 32).

- 24 As regards the expression ‘the technical function is the only factor which determined those features’, the Court has explained that it must be understood in the sense that ‘considerations other than the need for that product to fulfil its technical function, in particular those related to the visual aspect, have not played any role in the choice of those features, even if other designs fulfilling the same function exist’ (judgment, § 31).
- 25 In order to apply Article 8(1) CDR, it is thus necessary to (i) identify the product in which the design at issue is incorporated, (ii) identify its technical function, (iii) identify the features of appearance of the product, (iv) determine that considerations other than the need for that product to fulfil its technical function, in particular those related to the visual aspect, have not played any role in the choice of those features.

Identification of the product

- 26 The product in respect of which the contested design is registered has been identified by the design holder as a ‘building block from a toy building set’. The parties agree that the product is, in essence, a brick (made of plastic material) which children may assemble with other bricks in order to entertain themselves by building all sorts of objects (toy houses, toy vehicles and other toy objects). What the design holder identifies as a ‘building block’ is therefore a brick and will thus be referred to hereinafter as simply ‘the brick’. What the design holder identifies as ‘a toy building set’ clearly is the set of bricks that children may assemble in order to build the mentioned objects.
- 27 It is thus clear from the wording used to identify the product, firstly, that same (i) is part of a larger set of bricks and (ii) is intended to be assembled with other bricks of the set in order to build objects.
- 28 It is also clear, secondly, that said wording not only identifies the product (i.e. a brick) but also reveals the purpose of that product, i.e. to ‘build’ toys by assembling this product with other products of the set.

Identification of the technical function of the product

- 29 What can be the technical function of the product at issue must therefore be necessarily determined on the basis of its purpose.
- 30 Since the children must be able to assemble the brick with (and disassemble it from) other bricks of the set in order to build objects, it is clear that the brick must have features that make it possible to assemble it to other bricks of the set.
- 31 The technical function that the brick in which the RCD is incorporated must fulfil, therefore, is the capability of being assembled with a sufficient stability to other bricks so that it can form part of a toy building.

Identification of the features of appearance of the product

- 32 The features of appearance revealed by the contested RCD are:
- a) The row of studs on the upper face of the brick;
 - b) The row of smaller circles on the lower face of the brick;
 - c) The two rows of bigger circles on the lower surface of the brick;
 - d) The rectangular shape of the brick;
 - e) The thickness of the walls of the brick;
 - f) The cylindrical shape of the studs.
- 33 The design holder agrees that these are the features of appearance of its product.
- 34 In the Board's opinion, all these features are solely dictated by the technical function of the brick, as will be explained hereunder.
- 35 The purpose of feature (a), which consists of a row of studs that protrude on the upper face, is to make it possible for the player to assemble a second brick of the set above the brick covered by the contested RCD in order to begin the construction of an object. As explained by the invalidity applicant in the statement of grounds of appeal – with the assistance of illustrations – the lower face of the second brick will engage upon the four studs on the upper face of the first brick and the two bricks will thus remain firmly in place, thus permitting to commence a toy construction. The row of studs thus represents a feature of appearance solely dictated by technical function, i.e. a feature where the technical function (being the necessity to allow another brick to be placed firmly above it) is, as the ECJ stated at paragraph 32 of 08/03/2018, C-395/16, DOCERAM, EU:C:2018:172, the 'only factor' which determined that feature.
- 36 The design holder was unable to deny the technical function, as described above, of the studs and to explain to what extent 'other considerations' (08/03/2018, C-395/16, DOCERAM, EU:C:2018:172, § 31) played a role in the appearance of said studs.
- 37 The feature (b) consists of a row of smaller circles on the lower face of the brick. The circles represent, as the invalidity applicant has shown with an image of the real brick (see letter dated 27 March 2017, page 6), depressions. The depressions correspond in number (four) and position (alignment in the middle) to the studs visible on the upper face of the brick. The appearance of these small depressions is not the result of an intention to generate a particular visual aspect but is the consequence of the manufacturing process of the piece: in other words, the depressions in the lower face of the brick merely represent the 'negative', i.e. the counterpart, of the (protruding) studs on the upper face.
- 38 The design holder could not explain which considerations other than technical function justified the presence, on the lower face of the brick, of small circular

depressions that correspond, in number and position, to the studs on the upper face.

- 39 Feature (c), namely two rows of bigger circles on the lower face of the brick, also fulfils a purely technical function. The six circles represent, as the invalidity applicant has shown with an image of the real brick (see letter dated 27 March 2017, page 6), six slightly protruding circular walls. As the invalidity applicant has shown with images of superposed bricks at page 6 of its statement of grounds of invalidity, dated 27 March 2017, the six circular walls delimitate externally a total of twelve small areas (four along each of the two long sides of the brick and four along its middle) which may host the twelve studs of another brick of the set.
- 40 The design holder could not explain which considerations other than technical function justified the presence of six circular walls disposed in two rows of three that delimitate areas, on the lower face of the brick, inside which the studs of another brick can be lodged so that the two bricks can be firmly held in place.
- 41 Feature (d), i.e. the rectangular shape of the brick, does not obey to considerations other than the need for it to fulfil a technical function, namely that it can be used to build the wall of, say, a toy house or an another object having a 90° angle.
- 42 The design holder has not given examples of other considerations, in particular related to the visual aspect, which could have determined a rectangular shape.
- 43 Feature (e) consists of the limited thickness of the brick's walls. The bigger or smaller thickness of a construction element fulfils no other function than that of increasing or reducing the height of the toy construction in which that element is inserted.
- 44 The design holder did not cite, as a reason for choosing that thickness, any consideration other than the need to fulfil the technical function that has just been mentioned.
- 45 Feature (f) concerns the shape of the studs protruding on the upper face of the brick. The shape is cylindrical. The invalidity applicant's position is that this shape serves the sole function of exactly matching the gaps of bricks of the toy construction set. This position is confirmed by what experts have declared in the Red Lego Brick Proceedings: 'the cylindrical connecting knobs [i.e. studs] with a smooth, continuous outer surface provide the best, most consistent clutch power for interlocking bricks together', because cylindrical shapes can be made 'more precisely'. The experts also pointed out that a 'cylindrical knob [i.e. stud]' allows greater versatility, since a second brick can be pivoted on it while still retaining acceptable clutch power (R 856/2004-G, § 49). The experts added that 'that the cylindrical knob [stud] has a greater versatility than the hexagonal knob [stud]' and that the circular stud of the typical Lego brick is a shape that provides good interconnection of one brick to another (R 856/2004-G, § 50).

- 46 The design holder did not cite, as a reason for choosing the cylindrical shape for the studs, any consideration other than the need to fulfil the technical function that has just been mentioned.
- 47 It follows that all the features of appearance of the product in which the contested RCD is embodied are solely dictated by the technical function of the product, which is to allow assembly with, and disassembly from, the rest of the bricks of the set.
- 48 The Board notes that the design holder denies that these features of appearance are solely dictated by technical function but did not cite a single consideration different than technical ones that might have determined the visual aspect of these features.
- 49 In section C, paragraphs 4 and 10, of the observations that it submitted in response to the grounds of appeal, the design holder claims that the invalidity applicant has not proffered any ‘objective facts or evidence’ to support its view that all features of appearance are solely dictated by the technical function of the product. The claim is unfounded. The invalidity applicant submitted, before the Invalidity Division and again before the Board of Appeal, convincing explanations, supported by illustrations, as to how the bricks of the set are assembled together and how each of the features of appearance make it possible for these bricks to be assembled and disassembled. It was then for the design holder to prove that, on the contrary, non-technical considerations, ‘in particular considerations related to the visual aspect’ (08/03/2018, C-395/16, DOCERAM, EU:C:2018:172, § 31) had played a role in the choice of the mentioned features of appearance. None of these considerations have been put forward.
- 50 The design holder also claims that the invalidity applicant makes an error when it relies on the findings made by the Grand Board of Appeal in case R 856/2004-G, by the General Court in judgment 12/11/2008, T-270/06, Lego brick, EU:T:2008:483 and by the Court of Justice in judgment 14/09/2010, C-48/09 P, Lego brick, EU:C:2010:516, in relation to the Red Lego Brick Proceedings, on the grounds of Article 7(1)(e)(ii) EUTMR. The design holder alleges, in particular, that the Grand Board’s decision and the judgments bear no relevance because they were rendered in the context of trade mark (not design) law (see the design holder’s letter dated 8 May 2018, section C, § 6).
- 51 The claim is unfounded. Even though they were rendered in the context of trade mark law, the mentioned decision and judgments are relevant for the purpose of the present design proceedings because, as the Court of Justice has expressly stated in the last sentence of paragraph 46 of judgment 14/09/2010, C-48/09 P, Lego brick, EU:C:2010:516, the *ratio* of the prohibitions envisaged, respectively in Article 7(1)(e)(ii) EUTMR and Article 8(1) CDR is, in fact, the same: to prevent monopolies (outside patent law) on features of appearance dictated by technical function.
- 52 The Board considers, in this regard, that the findings made by the Grand Board of Appeal, confirmed by the General Court and confirmed ultimately by the Court of Justice as regards the design holder’s EUTM application No 107 029 ‘3D Shape

of a Red Lego Brick' may be transposed, *mutatis mutandis*, to the contested RCD in view of the fact that the features of appearance of the brick that the design holder attempted in the past to register as a three-dimensional EU mark are also present in the brick that it attempts now to register as a Community design and are the same: a piece of a toy construction set characterised by an upper face having aligned studs and an overall rectangular (or parallelepiped) shape. The differences between the brick in the RCD and the brick which was the subject matter of the EUTM application, namely the smaller number of studs, the larger ratio between the long and short sides of the parallelepiped and the thinner walls of the brick, do not alter these findings because the differences affect size and numbers of the features of appearance, not their appearance itself and their ability to serve, therefore, a technical function.

Costs

- 53 Since the appeal has been successful, the design holder must be ordered to bear the fees and costs incurred by the invalidity applicant in the appeal and the invalidity proceedings, in accordance with Article 70(1) CDR.

Fixing of costs

- 54 In accordance with Articles 79(1), 79(6) and 79(7)(f)(iv) CDIR, the Board fixes the amount of fees and representation costs to be paid by the design holder to the invalidity applicant at EUR 800 for the fees in the appeal proceedings and EUR 350 in the invalidity proceedings and EUR 500 for the representation costs in the appeal proceedings and EUR 400 for the invalidity proceedings. The total amount is EUR 2 050.

Order

On those grounds,

THE BOARD

hereby:

- 1. Annuls the contested decision;**
- 2. Declares the invalidity of the contested RCD;**
- 3. Orders that the design holder reimburses the fees and costs incurred by the invalidity applicant;**
- 4. Fixes the amount of fees and costs to be paid by the design holder to the invalidity applicant with respect to the invalidity proceedings and appeal proceedings at EUR 2 050.**

Signed

Th. M. Margellos

Signed

C. Rusconi

Signed

H. Salmi

Registrar:

Signed

p.o. I. Romero Conrad

